

EXECUTION VERSION

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REGISTRATION RIGHTS AGREEMENT

by and between

BU FINANCIAL HOLDINGS LLC

and

FEDERAL DEPOSIT INSURANCE CORPORATION

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Dated as of May 21, 2009

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REGISTRATION RIGHTS AGREEMENT, dated as of May 21, 2009, by and between BU Financial Holdings LLC, a Delaware limited liability company (the “Company”) and the Federal Deposit Insurance Corporation (the “Investor”).

In consideration of the mutual covenants and agreements herein contained and other good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

**1. Certain Definitions.**

In addition to the terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

“Affiliate” has the meaning set forth in Rule 12b-2 under the Exchange Act.

“Agreement” means this Registration Rights Agreement, including all amendments, modifications and supplements and any exhibits or schedules to any of the foregoing, and shall refer to this Registration Rights Agreement as the same may be in effect at the time such reference becomes operative.

“Blackout Period” has the meaning set forth in Section 7(c) hereof.

“Business Day” means any day, except a Saturday, Sunday or legal holiday on which banking institutions in The City of New York are authorized or obligated by law or executive order to close.

“Company” has the meaning set forth in the introductory paragraph.

“Delay Period” has the meaning set forth in Section 3(d) hereof.

“Demand Registration” has the meaning set forth in Section 3(a) hereof.

“Demand Registration Statement” has the meaning set forth in Section 3(a) hereof.

“Effectiveness Period” shall mean the period beginning on the Initial Effectiveness Date and ending on the earlier of (i) the sale pursuant to a Registration Statement of all Registrable Securities thereunder, and (ii) the date when all Registrable Securities are eligible to be sold pursuant to Rule 144 without limitation thereunder on volume or manner of sale.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“FINRA” means the Financial Industry Regulatory Authority, Inc.

“Fully Marketed Underwritten Offering” has the meaning set forth in Section 2(b) hereof.

“Governmental Entity” means any national, federal, state, municipal, local, territorial, foreign or other government or any department, commission, board, bureau, agency, regulatory authority or instrumentality thereof, or any court, judicial, administrative or arbitral body or public or private tribunal.

“Initial Effectiveness Date” means the Closing Date (as such term is defined in the Warrant).

“Investor” has the meaning set forth in the introductory paragraph.

“Other Securities” has the meaning given to such term in the Warrant.

“Person” means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, Governmental Entity or any other entity.

“Piggyback Registration” has the meaning set forth in Section 4(a) hereof.

“Piggyback Registration Statement” has the meaning set forth in Section 4(a) hereof.

“Prospectus” means the prospectus or prospectuses forming a part of, or deemed to form a part of, or included in, or deemed included in, any Registration Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement and by all other amendments and supplements to the prospectus, including post-effective amendments and all material incorporated by reference in such prospectus or prospectuses.

“Registrable Securities” means the Underlying Securities and the Other Securities, until such securities have been converted or exchanged and, at all times subsequent to such conversion or exchange, any securities into or for which such securities have been converted or exchanged, and any security issued with respect thereto upon any stock dividend, split, merger or similar event until, in the case of any such security, the earliest of (i) its effective registration under the Securities Act and resale in accordance with the Registration Statement covering it, (ii) its sale pursuant to Rule 144, (iii) the expiration of the Effectiveness Period, and (iv) the date upon which such securities shall cease to be outstanding.

“Registering Entity” has the meaning given to such term in the Warrant.

“Registration Statement” means any registration statement of the Company that covers any of the Registrable Securities, including the Prospectus, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all materials incorporated by reference in such Registration Statement.

“Rule 144” means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC as a replacement thereto having substantially the same effect as such rule.

“Rule 415” means Rule 415 promulgated by the SEC pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC as a replacement thereto having substantially the same effect as such rule.

“SEC” means the Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended.

“Shelf Registration Statement” has the meaning set forth in Section 2(a) hereof.

“Suspension Notice” has the meaning set forth in Section 7(c) hereof.

“Underlying Securities” has the meaning given to such term in the Warrant.

“Underwritten Registration” or “Underwritten Offering” means an offering in which securities of the Company are sold to one or more underwriters (as defined in Section 2(a)(11) of the Securities Act) for resale to the public.

“Warrant” means the Warrant issued by the Company to the FDIC as of the date of this Agreement.

## **2. Shelf Registration Statements.**

(a) Right to Request Registration. At the request of the Investor at any time during the Effectiveness Period, the Company shall use its commercially reasonable efforts to promptly file a registration statement on Form S-3 or such other form under the Securities Act then available to the Company providing for the resale pursuant to Rule 415 from time to time by the Investor of such number of Registrable Securities requested by the Investor to be registered thereby (including the Prospectus, amendments and supplements to the shelf registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto and all material incorporated by reference or deemed to be incorporated by reference, if any, in such shelf registration statement, the “Shelf Registration Statement”). The Company shall use its commercially reasonable efforts to cause the Shelf Registration Statement to be declared effective by the SEC as promptly as practicable following such filing. The Company shall maintain the effectiveness of the Shelf Registration Statement until the earliest of (x) a period of at least 365 days in the aggregate, plus the duration of any Blackout Period, (y) such time that the Investor no longer holds Registrable Securities and (z) the end of the Effectiveness Period. The Investor shall not be entitled to make more than two such requests pursuant to this Section 2. The Investor shall give the Company prompt written notice of the consummation of each Shelf Takedown (whether or not underwritten).

(b) Number of Fully Marketed Underwritten Offerings. The Investor shall be entitled to request an aggregate of two Underwritten Offerings during the Effectiveness Period pursuant to the Shelf Registration Statement; provided, that no such request may be made within 90 days after the Investor has sold Registrable Securities in another Underwritten Offering pursuant to Section 4 hereof; provided, further, that the Investor shall be entitled to request no more than one Underwritten Offering pursuant to the Shelf Registration Statement in any 12 month period (each such Underwritten Offering, a “Fully Marketed Underwritten Offering”). The Company shall prepare preliminary and final prospectuses (preliminary and final prospectus supplements in the case of an offering pursuant to the Shelf Registration Statement) for use in connection therewith containing such additional information as reasonably requested by the underwriter(s).

### 3. Additional Demand Registrations.

(a) Right to Request Registration. Any time during the Effectiveness Period, the Investor may request registration for resale under the Securities Act of all or part of the Registrable Securities at such times as the Shelf Registration Statement is not in effect (a "Demand Registration"). As promptly as reasonably practicable after such request, the Company shall file a registration statement registering for resale such number of Registrable Securities held by the Investor as requested to be so registered (including the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto and all material incorporated by reference or deemed to be incorporated by reference, if any, in such registration statement, a "Demand Registration Statement").

(b) Number of Demand Registrations. The Investor will be entitled to request two Demand Registrations pursuant to Section 3(a) minus the number of Fully Marketed Underwritten Offerings completed off of the Shelf Registration Statement; provided, however, that the Company shall not be required to effect more than one Demand Registration in any 12 month period; provided, further, that the Investor shall not be entitled to a Demand Registration at such time as the Company shall have a Shelf Registration Statement or Registration Statement in effect pursuant to which the Investor could dispose of any Registrable Securities pursuant to Section 2 or 4, respectively.

(c) Priority on Demand Registrations. If a Demand Registration pursuant to this Section 3 involves an Underwritten Offering and the managing underwriter in good faith shall advise the Company that in its opinion the number of securities requested to be included in such Underwritten Offering exceeds the number of securities that can be sold in such Underwritten Offering without having an adverse effect on such Underwritten Offering, including the price, timing or distribution of such securities or the market for such securities, then the Company shall include in such registration the maximum number of securities (including Registrable Securities) that such underwriter advises can be so sold without having such effect, allocated pro rata among all securities requested to be included in such registration by any other Persons (including securities to be sold for the account of the Company).

(d) Restrictions on Demand Registrations. The Company may postpone the filing or the effectiveness of a Demand Registration Statement if, based on the good faith judgment of the Company's Board of Directors, such postponement is necessary in order to avoid premature disclosure of a matter the Board of Directors has determined would not be in the best interest of the Company to be disclosed at such time; provided, however, that the Investor requesting such Demand Registration Statement shall be entitled, at any time after receiving notice of such postponement and before such Demand Registration Statement becomes effective, to withdraw such request and, if such request is withdrawn, such Demand Registration shall not count as one of the permitted Demand Registrations pursuant to Section 3(b). The Company shall provide written notice to the Investor of (x) any postponement of the filing or effectiveness of a Demand Registration Statement pursuant to this Section 3(d), (y) the Company's decision to file or seek effectiveness of such Demand Registration Statement following such postponement and (z) the effectiveness of such Demand Registration Statement. The Company may defer the filing or effectiveness of a particular Demand Registration Statement pursuant to this Section 3(d) twice during any 12-month period. Notwithstanding the provisions of this Section 3(d), the Company may not

postpone the filing or effectiveness of a Demand Registration Statement past the date upon which any disclosure of a matter the Board of Directors has determined would not be in the best interest of the Company to be disclosed is disclosed to the public or ceases to be material. The period during which filing or effectiveness is so postponed hereunder is referred to as a "Delay Period."

(e) Effective Period of Demand Registrations. After any Demand Registration filed pursuant to this Agreement has become effective, the Company shall use commercially reasonable efforts to keep such Demand Registration Statement effective for a period of at least 180 days from the date on which the SEC declares such Demand Registration Statement effective (plus the duration of any Delay Period and any Blackout Period), but not to exceed the Effectiveness Period.

#### **4. Piggyback Registrations.**

(a) Right to Piggyback. Whenever during the Effectiveness Period the Company proposes to publicly sell or register for sale any of its common equity securities (or any security which is convertible into or exchangeable or exercisable for common equity securities) pursuant to a registration statement (a "Piggyback Registration Statement") under the Securities Act (other than a registration statement on Form S-8 or on Form S-4 or any similar successor forms thereto), whether for its own account or for the account of one or more security holders of the Company (a "Piggyback Registration"), the Company shall give prompt written notice to the Investor of its intention to effect such sale or registration and, subject to Sections 4(b) and 4(c), shall use its commercially reasonable efforts to include in such transaction all Registrable Securities (in the form of common equity securities) with respect to which the Company has received a written request from the Investor for inclusion therein within 20 days after the Investor's receipt of the Company's notice. The Company may postpone or withdraw the filing or the effectiveness of a Piggyback Registration at any time in its sole discretion (or, if applicable, at the sole discretion of the security holder requesting such Piggyback Registration), without prejudice to the Investor's right to immediately request a Demand Registration or Shelf Registration Statement hereunder. A Piggyback Registration shall not be considered a Demand Registration for purposes of Section 3 of this Agreement or a Shelf Registration Statement for purposes of Section 2 of this Agreement.

(b) Priority on Primary Registrations. If a Piggyback Registration is initiated as a primary Underwritten Registration on behalf of the Company and the managing underwriter in good faith advises the Company in writing that in its opinion the number of securities requested to be included in such Underwritten Registration exceeds the number of securities that can be sold in such Underwritten Registration without having an adverse effect on such Underwritten Registration, including the price, timing or distribution of such securities or the market for such securities, then the Company shall include in such Underwritten Registration the maximum number of securities that such underwriter advises can be so sold without having such effect, allocated (i) first, to the securities the Company proposes to sell and (ii) second, to all other securities (including Registrable Securities) requested to be included in such registration by other security holders and the Investor, pro rata among such holder(s) and the Investor on the basis of the number of securities requested to be registered by them (provided, however, that in the event the other security holders may be required to allocate such securities to be sold on a basis other than

the number of securities requested to be registered, such pro rata allocation shall be made on the basis of the number of securities requested to be registered by the Investor, on the one hand, and the aggregate number of securities requested to be registered by all other such holders, on the other hand).

(c) **Priority on Secondary Registrations.** If a Piggyback Registration is initiated as an Underwritten Registration on behalf of a holder of the Company's securities other than common equity securities or on behalf of the Company, and the managing underwriter in good faith advises the Company in writing that in its opinion the number of securities requested to be included in such Underwritten Registration exceeds the number that can be sold in such Underwritten Registration without having an adverse effect on such Underwritten Registration, including the price, timing or distribution of such securities or the market for such securities, then the Company shall include in such Underwritten Registration the maximum number of securities that such underwriter advises can be so sold without having such effect, allocated (i) first, to the securities requested to be included therein by the holder(s) requesting such registration if and to the extent that such holder(s) were granted registration rights by the Company prior to date of the Warrant (or otherwise contemplated to be granted to such Persons under certain circumstances identified in the Amended and Restated Limited Liability Company Agreement of BU Financial Holdings LLC dated May 21, 2009) and (ii) second, to other securities (including Registrable Securities) requested to be included in such registration by other security holders, the Company and the Investor, pro rata among such holder(s), the Company and the Investor on the basis of the number of securities requested to be registered by them (provided, however, that in the event any other security holders may be required to allocate such securities to be sold on a basis other than the number of securities requested to be registered, such pro rata allocation shall be made on the basis of the number of securities requested to be registered by the Investor, on the one hand, the Company, on the other hand, and the aggregate number of securities requested to be registered by all other such holders, on the other hand).

## **5. Selection of Underwriters.**

If any of the Registrable Securities covered by a Demand Registration Statement or a Shelf Registration Statement are to be sold in an Underwritten Offering, the Company shall have the right to select the managing underwriter(s) to administer the Underwritten Offering in its sole discretion.

## **6. Holdback Agreements.**

The Company agrees not to effect any public sale or distribution of any equity securities of the Company during the 30 days beginning on the effective date of any underwritten Demand Registration Statement or any underwritten Piggyback Registration Statement or the pricing date of any Underwritten Offering pursuant to any Registration Statement (except as part of such Underwritten Offering or pursuant to registrations on Form S-8 or S-4 or any successor forms thereto) unless the underwriter managing the offering otherwise agrees to a shorter period.



## **7. Procedures.**

(a) In connection with the registration and sale of Registrable Securities pursuant to this Agreement, the Company shall use its commercially reasonable efforts to effect the registration and sale of such Registrable Securities in accordance with the Investor's intended methods of disposition thereof, and pursuant thereto:

(i) prepare and file with the SEC a Registration Statement with respect to such Registrable Securities and use commercially reasonable efforts to cause such Registration Statement to become effective as soon as practicable thereafter; and before filing a Registration Statement or Prospectus or any amendments or supplements thereto (including any prospectus supplement for a shelf takedown), furnish to the Investor and the underwriter or underwriters, if any, copies of all such documents proposed to be filed, including documents incorporated by reference in the Prospectus and, if requested by the Investor, the exhibits incorporated by reference, and the Investor (and the underwriter(s), if any) shall have the opportunity to review and comment thereon, and the Company will give reasonable consideration to such comments as reasonably requested by the Investor (and the underwriter(s), if any) within three (3) Business Days of the delivery of such copies to the Investor (and the underwriter(s), if any);

(ii) prepare and file with the SEC such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for a period of not less than 90 days (or such longer time as may be described herein) or such shorter period as is necessary to complete the distribution of the securities covered by such Registration Statement and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the Investor set forth in such Registration Statement;

(iii) furnish to the Investor such number of copies of such Registration Statement, each amendment and supplement thereto, each Prospectus (including each preliminary Prospectus and Prospectus supplement) and such other documents as the Investor and any underwriter(s) may reasonably request in order to facilitate the disposition of the Registrable Securities, provided, however, that the Company shall have no such obligation to furnish copies of a final prospectus if the conditions of Rule 172(c) under the Securities Act are satisfied by the Company;

(iv) use commercially reasonable efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions within the United States as the Investor and any underwriter(s) reasonably requests in writing and do any and all other acts and things that may be reasonably necessary or advisable to enable the Investor and any underwriter(s) to consummate the disposition in such jurisdictions of the Registrable Securities in the manner set forth in the relevant Registration Statement and the related Pro-

spectus (provided, that the Company will not be required to (1) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph (iv), (2) subject itself to taxation in any such jurisdiction or (3) consent to general service of process in any such jurisdiction);

(v) notify the Investor and any underwriter(s), at any time when a Prospectus relating thereto is required to be delivered under the Securities Act (and until the closing of any sale of Registrable Securities thereby), of the occurrence of any event as a result of which any Prospectus contains an untrue statement of a material fact or omits any material fact necessary to make the statements therein not misleading, and, at the request of the Investor or any underwriter(s), use commercially reasonable efforts to prepare a supplement or amendment to such Prospectus so that, as thereafter supplemented and/or amended, such Prospectus shall not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading;

(vi) in the case of an Underwritten Offering, (a) enter into and perform such customary agreements (including underwriting agreements in customary form), which may include customary indemnification provisions, (b) take all such other actions as the Investor or the underwriter(s) reasonably request in order to expedite or facilitate the disposition of such Registrable Securities and (c) obtain for delivery to the Investor and to the underwriter(s) an opinion or opinions from counsel for the Company in customary form and in form, substance and scope reasonably satisfactory to the Investor, the underwriter(s) and their counsel;

(vii) make available for inspection by the Investor, any underwriter participating in any disposition pursuant to a Registration Statement, and any attorney, accountant or other agent retained by the Investor or underwriter, all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause the appropriate Company officers, managers and employees to supply all information reasonably requested by the Investor, underwriter, attorney, accountant or agent in connection with such Registration Statement;

(viii) use commercially reasonable efforts to (a) cause the Registrable Securities to be listed on each securities market or exchange on which other the Registrable Securities are then listed if such Registrable Securities are not already so listed and if such listing is then permitted under the rules of such exchange; and (b) provide a transfer agent and registrar for all such Registrable Securities covered by such Registration Statement not later than the effective date of such Registration Statement;

(ix) if requested, cause to be delivered immediately prior to the pricing of any Underwritten Offering a "cold comfort" letter or letters from the Company's independent public accountants in customary form and covering matters of the type customarily covered by "cold comfort" letters;

(x) use commercially reasonable efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable after the effective date of the Registration Statement, an earnings statement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations thereunder (or any similar provision then in force);

(xi) cooperate with the Investor and the underwriter(s), if any, and their respective counsel in connection with any filings required to be made with the FINRA; and

(xii) promptly notify the Investor and the underwriter or underwriters, if any:

(1) when any Registration Statement, any pre-effective amendment, any Prospectus or any Prospectus supplement or post-effective amendment to the Registration Statement has been filed (other than any such Prospectus supplement, Registration Statement or post-effective amendment to a Registration Statement which is filed solely to name additional selling security holders or to reflect any other matters that are not of a material nature) and, with respect to any Registration Statement or any post-effective amendment, when the same has become effective;

(2) of any written request by the SEC for amendments or supplements to any Registration Statement or any Prospectus or for additional information;

(3) of the notification to the Company by the SEC of its initiation of any proceeding with respect to the issuance by the SEC of any stop order suspending the effectiveness of any Registration Statement; and

(4) of the receipt by the Company from the SEC or any state securities authority of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction.

(b) The Company may require the Investor to furnish to the Company any information regarding the Investor and the distribution of such securities as the Company reasonably determines, based on the advice of counsel, is required to be included in any Registration Statement.

(c) The Investor agrees that, upon notice from the Company (a "Suspension Notice") of (i) the happening of any event as a result of which the Prospectus included (or deemed included) in such Registration Statement contains an untrue statement of a material fact or omits any material fact necessary to make the statements therein not misleading or (ii) the Company's reasonable determination that the disclosure of such event at such time would materially interfere

with any proposed acquisition, disposition, financing or other material transaction involving the Company or its subsidiaries or would otherwise cause a material harm to the Company or, as determined by the Board of Directors, would not be in the best interest of the Company to be disclosed at such time, the Investor will forthwith discontinue disposition of Registrable Securities pursuant to such Registration Statement for a reasonable length of time not to exceed an aggregate of 90 days. If the Company shall give the Investor any Suspension Notice, the Company shall extend the period of time during which the Company is required to maintain the applicable Registration Statement effective pursuant to this Agreement by the number of days during the period from and including the date of the giving of such Suspension Notice to and including the date the Investor either is advised by the Company that the use of the Prospectus may be resumed or receives the copies of the supplemented or amended Prospectus contemplated by Section 7(a) (a "Blackout Period"). In any event, the Company shall not be entitled to deliver more than a total of three Suspension Notices or notices of any Delay Period in any 12 month period.

#### **8. Registration Expenses.**

Unless otherwise agreed between the parties:

(a) All expenses incident to the Company's performance of or compliance with this Agreement, including, without limitation, all registration and filing fees (including SEC registration fees and FINRA filing fees), fees and expenses of compliance with securities or blue sky laws, listing application fees, and fees, expenses and disbursements of counsel and accountants for the Company in connection therewith, shall be borne by the Company; and

(b) All expenses incident to the Investor's performance of or compliance with this Agreement, including, without limitation, printing expenses, transfer agent's and registrar's fees, stock transfer taxes, costs of distributing Prospectuses in preliminary and final form as well as any supplements thereto, and fees, expenses and disbursements of counsel and accountants for the Investor and fees, expenses, commissions and disbursements for other Persons retained by the Investor in connection therewith, shall be borne by the Investor.

#### **9. Indemnification.**

(a) The Company shall indemnify, to the fullest extent permitted by law, the Investor and its officers, directors, employees and Affiliates and each Person who controls the Investor (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses arising out of or based upon any untrue or alleged untrue statement of material fact contained in any Registration Statement, Prospectus, preliminary Prospectus or any "issuer free writing prospectus" (as defined in Securities Act Rule 433) or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading or any violation or alleged violation by the Company of the Securities Act, the Exchange Act or applicable "blue sky" laws, except insofar as the same are made in reliance and in conformity with information relating to the Investor furnished in writing to the Company by the Investor expressly for use therein.

(b) In connection with any Registration Statement in which the Investor is participating, the Investor shall furnish to the Company in writing such information as the Company rea-

sonably determines, based on the advice of counsel, is required to be included in, any such Registration Statement or Prospectus and, shall indemnify, to the fullest extent permitted by law, the Company, its officers, employees, directors, Affiliates, and each Person who controls the Company (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses arising out of or based upon any untrue or alleged untrue statement of material fact contained in the Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that the same are made in reliance and in conformity with information relating to the Investor furnished in writing to the Company by the Investor expressly for use therein.

(c) Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel (in addition to any local counsel) for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party there may be one or more legal or equitable defenses available to such indemnified party that are in addition to or may conflict with those available to another indemnified party with respect to such claim. Failure to give prompt written notice shall not release the indemnifying party from its obligations hereunder.

(d) The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and shall survive the transfer of securities.

(e) If the indemnification provided for in or pursuant to this Section 9 is due in accordance with the terms hereof, but is held by a court to be unavailable or unenforceable to hold harmless an indemnified party in respect of any indemnifiable losses, claims, damages, liabilities or expenses referred to herein, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified Person as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect (i) the relative benefit of the indemnifying and indemnified parties and (ii) if the allocation in clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect the relative benefit referred to in clause (i) and also the relative fault of the indemnified and indemnifying parties, in connection with the actions, statements or omissions which resulted in such losses, claims, damages, liabilities or expenses as well as any other relevant equitable considerations. The relative fault of the indemnifying party on the one hand and of the indemnified party on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemni-

fied party, and by such party's relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

**10. Effectiveness of Obligations under this Agreement.**

(a) Unless and until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company shall have no obligation to comply with the provisions of this Agreement; provided that the Company covenants and agrees that it shall comply with this Agreement as soon as practicable after the date that it becomes subject to such reporting requirements.

**11. Miscellaneous.**

(a) Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally, when sent by facsimile with confirmation received, when sent by recognized overnight courier service or when mailed by certified or registered mail, return receipt requested, with postage prepaid to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(i) If to the Company, to:

BU Financial Holdings LLC  
32 Adelaide Ave  
East Moriches, New York 11940  
Attention: John A. Kanas  
Facsimile: (631) 874-3549

With copies (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP  
Four Times Square  
New York, NY 10036  
Attention: William Rubenstein  
David Ingles  
Facsimile: (917) 777-2642

(ii) If to the Investor, to:

Federal Deposit Insurance Corporation  
550 17th St. NW, Room F-7008  
Washington DC 20429-0002  
Attention: Manager, Capital Markets & Resolutions  
Facsimile: (202) 898-3614

With a copy to:

Federal Deposit Insurance Corporation  
3501 Fairfax Drive, Room VS-E-7056  
Arlington, Virginia 22226  
Attention: Senior Counsel, Special Issues Unit  
Facsimile: (703) 562-2476

(b) No Waivers. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

(c) Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. If the outstanding Registrable Securities are converted into or exchanged or substituted for other securities issued by any other Person, as a condition to the effectiveness of the merger, consolidation, reclassification, share exchange or other transaction pursuant to which such conversion, exchange, substitution or other transaction takes place, such other Person shall automatically become bound hereby with respect to such other securities constituting Registrable Securities and, if requested by the Investor, shall further evidence such obligation by executing and delivering to the Investor and such transferee a written agreement to such effect in form and substance satisfactory to the Investor.

(d) Governing Law. The internal laws, and not the laws of conflicts (other than Section 5-1401 of the General Obligations Law of the State of New York), of New York shall govern the enforceability and validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties.

(e) Jurisdiction. Each party to this Agreement, by its execution hereof, (a) hereby irrevocably submits to the exclusive jurisdiction of the state courts of the State of New York located in New York County or the United States District Court for the Southern District of New York for the purpose of any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Agreement or relating to the subject matter hereof, (b) hereby irrevocably and unconditionally waives, and agrees not to assert by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such proceeding brought in one of the above-named courts is improper, or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (c) hereby agrees not to commence any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Agreement or relating to the subject matter hereof other than before one of the above-named courts nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation to any court other than one of the above-named court whether on the grounds of inconvenient forum or otherwise. In the event that a party to this Agreement commences any such action, claim, cause of action or suit in any court other than one

of the above-named courts, then the party against whom such action is commenced may introduce this Agreement as evidence that such court lacks jurisdiction over such action, claim, cause of action or suit, and that such action, claim, cause of action or suit should therefore be dismissed. Notwithstanding the previous two sentences, a party may commence an action in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by one of the above-named courts. Each party hereby consents to service of process in any such proceeding in any manner permitted by New York Law. Each of the parties agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 11(a) is reasonably calculated to give actual notice.

(f) Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(g) Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts (including by facsimile) and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, shall be construed together and shall constitute one and the same instrument. Subject to Section 10 above, this Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto.

(h) Entire Agreement. This Agreement, together with the Warrant, contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes and replaces all other prior agreements, written or oral, among the parties hereto with respect to the subject matter hereof.

(i) Captions. The headings and other captions in this Agreement are for convenience and reference only and shall not be used in interpreting, construing or enforcing any provision of this Agreement.

(j) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

(k) Amendments. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given, without the written consent of the Company and the Investor.



(l) Equitable Relief. The parties hereto agree that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(m) Termination. The provisions of this Agreement (other than Sections 8 and 9) shall terminate upon the earliest to occur of (i) the first date on which the Investor ceases to hold any Registrable Securities and (ii) the dissolution, liquidation or winding up of the Registering Entity.

*[Execution Page Follows]*

IN WITNESS WHEREOF, this Registration Rights Agreement has been duly executed by each of the parties hereto as of the date first written above.

BU FINANCIAL HOLDINGS LLC

By: 

Name: RAJINDER P. SINGH

Title: HEAD OF CONSUMER BANKING

FEDERAL DEPOSIT INSURANCE CORPORATION

By: \_\_\_\_\_

Name:


Title:

IN WITNESS WHEREOF, this Registration Rights Agreement has been duly executed by each of the parties hereto as of the date first written above.

BU FINANCIAL HOLDINGS LLC

By: \_\_\_\_\_  
Name:  
Title:

FEDERAL DEPOSIT INSURANCE CORPORATION

By:   
Name: Herbert J. Held  
Title: Assistant Director  
Division of Resolutions and Receiverships